2008 Nov 17 11:34 AM

Tarrant County Texas

Fee: \$ 28.00

Arganne Henders

Submitter: SIMPLIFILE

4 Pages

D208429024

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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision

## PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 16th day of Saptember, 2008, by and between Joan C Zwaid, whose address is 6728 Lakesida Dr., Fort Worth, Taxas 76135, as Lessor and CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, P.O. Box 18496, Oklahoma City. Oklahoma 73154-0496, ss Lessee. All printed portions of this lease were prapared by the perty hereinabove named es Lassea, but all other provisions (including tha completely a for each body in head paid and the company herein acceptance herein contained. Lessee hereby greater leases and late overline by the leases and late overline by the leases.

1. In consideration of a cash bonus in hand paid and the covenants harain contained, Lessor hareby grants, lessas and lats exclusively to Lessee the following dascribed land, hareinaftar called tha leased premises:

0.334 acras of land, more or less, situated in the John Braading Survey, A-188, and baing more particularly describad as Lot 12 out of tha Lakeview Haights Addition, an addition to the City of Fort Worth, Texas, and being more particularly dascribed in that certain Warranty Daed datad 08/26/1952 and recorded in Voi 2470 Pg. 190 of the Daed Records of Terrent County, Texas.

in tha county of Tarrant, State of TEXAS, containing 0.334 gross acres, more or less (including any Intarests therein which Lessor may hereafter acquire by revarsion, prescription or otharwise), for the purposa of exploring for, developing, producing and markating oil and gas. For purposas of this lease, "oil and gas" maans oil, ges and othar liquid and gaseous hydrocarbons end their constituant alements produced through a well bore. "Oil" includes all condensata, distillate and other liquid and gaseous hydrocarbons produced through e well bore. "Gas" includes helium, csrbon dioxide and other commercial gases, as wall as hydrocarbon gases. Expressly excluded from this lease are lignita, coal, suffur and othar like minerals. In addition to the above-described leased premises, this leese also covars all accretions, strips and goras, streets, easemants, highways and alleyways adjecent thareto, and eny small strips or parcals of land now or hereafter owned by Lassor which are contiguous or adjecent to the sbova-dascribed leased premises, and, in consideration of the aforementioned cesh bonus. Lessor agrees to execute at Lessae's request any additionst or supplemental instruments for s and, in consideration of the aforementioned cesh bonus, Lessor agrees to execute at Lessae's request any additional or supplemental instruments for a mora complate or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereundar, the number of gross acres above spacified shall be deemed correct, whether actually more or less.

This lease, which is a "paid-up" leasa requiring no rentels, shall be in force for a primery tarm of Three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quentities from the leased premises or from lands pooled therewith or this leasa is otherwise maintained in effect pursuant to tha provisions hereof.

3. Royalties on oil, gas end other substances produced and saved haraunder shall be paid by Lessea to Lessor ss follows: (a) For oil and other liquid hydrocarbons separated at Lessea's separator fscilitias, the royalty shall be Twenty-Five and Twenty Five One Hundredths Percent (25.25%) of such production, to be delivared et Lessae's option to Lessor at the wallhead or to Lassor's cradit at the oil purchaser's trensportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead merket price than pravalling in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and grevity; (b) for gas (including casinghead gas) and ell other substances covered hereby, the royalty shall be Twenty-Five and Twenty Five One Hundredths Parcant (25.25%) of the proceeds realized by Lessea from the sale theraof, computed at the point of sale, lass only a proportionete part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production et the preveiling wellhaad markst price paid for production of similer quality in the same field (or if there is no such price then preveiling in the same field. then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lassee commences its purchases hareunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the lassed premises or lands pooled therewith are capable of alther producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydreulic fracture stimulation, but such well or wells are either shut-in or production therefore is not baling sold by Lessee, such well or wells shall nevartheless be daamed to be producing in paying quentities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall psy shut-in royalty of twenty-five dollars (\$25.00) per ecre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or bafore each anniversary of tha and of said 90-dey period while tha well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lesse is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leasad premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-dey period next following cessation of such operations or production. A well that has been drillad but not freced shall be deemed capeble of producing in peying quantities as long as it is fraced within one (1) yeer of reeching total depth. Notwithstanding anything to the contrary herein, it is expressly understood and agreed thet efter the expiration of the primary term, Lassee shall not have the right to continue this lease in force by payment of shut-in royalty for more than two (2) consecutive years or three (3) years in the aggregate.

4. All shut-in or other royalty payments under this lease shall be paid or tendarad to Lessor <u>at leesor's address abova</u> or its successors. All peyments or tenders mey be made in currancy, or by check or by draft and such payments or tenders to Lessor by deposit in the US Mails in a stamped anvelope addrassed to Lessor at the last address known to Lessee shell constitute proper payment. If Lessee designates e depository agent and the depository should liquidete or be succeeded by another institution, or for any reason fail or refuse to accept psyment hareundar, Lessor shell, at

depository should liquidete or be succeeded by another institution, or for any reason fall of refuse to accept psyment hereunder, Lessor shell, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive paymants.

5. Except as provided for in Paragraph 3, ebova, if Lessee drills e well which is incapable of producing in paying quantitles (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantitles) parmanently ceases from any cause, including e revision of unit boundsrlas pursuant to the provisions of Psragraph 6 or the action of any governmental authority, than in the event this lease is not otherwise baling maintained in force it shall nevertheless remain in force if Lessee commences oparations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of sll productior. If at the end of the primary term, are expented to the payon of the production and the payon of the production of the primary term. thereafter, this leasa is not otherwisa being maintained in force but Lassee is then engaged in drilling, reworking or eny other operations rassonably calculated to obtain or restore production therefrom, this leese shell remain in force to long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if sny such operations result in the production of oil or gas or other substances covered hereby, as long tharaaftar ss there is production in paying quantities from the leased premises or lands pooled therewith. After completion of e well capsble of producing in peying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith es a reasonably prudant operator would drill under the same or similer circumstances (a) to develop the leased premises ss to formations then capabla of producing in peying quantities on the leased premises or lands pooled therewith, or (b) to protect the leesed premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. In the event a well or walls producing oil or gat in paying quentities should be brought in on land within 400 feet from eny boundary of the leased premises, Lessee agrees within ninety (90) deys from commencement of production from such well or wells to commence the actual drilling of an offset well or wells on the leased premises if such action vould be taken by a reasonable prudent operator in

wells to commence the actual drilling of an offset well or wells on the leased premises it such action vioud baltisken by a reasonabla prudent operator in similar circumstances. Thara shall be no covariant to drill exploratory wells or any selditional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased pramises or interest therein with any other lends or interests, es to any or all depths or zones, and es to any or ell substences covered by this leese, either pefore or after the commencement of production, whenever Lassee deems it necessary or proper to do so in order to prudently davaiop or operate in a leesed premises, whether or not similar pooling euthority exists with respect to such other lands or interests. The unit formad by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acras plus a maximum ecreage tolerance of 10%, and for a gas well or shorizontal completion shall not exceed 640 acres plus a maximum ecreage tolerance of 10% and for a gas well or shorizontal completion to conform to say well encourse. acreage tolarance of 10%; provided that s largar unit may be formed for an oil well or gas well or by rizontal completion to conform to any well specing or density pattern that may be prescribed or permitted by eny governmental authority having jurisd ation to do so. For the purpose of the foregoing, that tarms "oil well" and "gss well" shall heve the maanings prescribed by spplicible list or the eppropriate governmental authority, or, if no definition is so

prescribed, "oll wsil" maans a well with sn Initial gas-oil ratio of less than 100,000 cubic fest per barrel and "gas well" means a well with an initial gas-oil prescribed, oil with maans a well with an initial gas-oil ratio of less than 100,000 cubic feat or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lasse separator facilities or squivalent testing squipment; and the tarm "horizontal complation" meshs an oil well in which this horizontal component of the gross complation interval in the reservoir exceads the verticel componant tharaof. In exercising its pooling rights hereundar, Lassee shall fills of record a written describing the unit and stating the sffective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premisas shall be treated as if it wars production, drilling or reworking operations on the leased premisas, except that the production on which I essor's revealty is calculated shall be that proportion of the total unit production which the nat acreage covered by this lease. includes all or any part of the leased premisas shall be treated as if it wara production, drilling or faworking operations on the leased premisas, sxcept that this production on which Lessor's royalty is celculated shell be that proportion of tha total unit production which the nat acreags covariad by this leass and included in the unit baers to tha total gross acreaga in the unit, but only to the axtent such proportion of unit production is sold by Lessea. Pooling in one or more instances shall not sxhaust Lassae's pooling rights heraunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hareunder by axpansion or contraction or both, either before or after commancement of production, in order to conform to the well spacing or dansily pattern prescribed or permitted by the governmentsl authority having jurisdiction, or to conform to sny productive acreaga determination made by such governmentsl authority. In making such a revision, Lasses shall file of record a written declaration describing the revised unit and stating the affective data of revision. To the extant any portion of the leased premises is included in or excluded from the unit by virtua of such revision, the proportion of unit production on which royalties are payable hareunder shall thereafter be adjusted accordingly. In the absance of production in paying proportion of unit production on which roysities are payable hisreunder shall this reafter be sdjusted accordingly. In the sbance of production in paying quentities from a unit, or upon permanent cessation thereof, Lassee may terminate the unit by filing of record a written decisration describing the unit and slating that date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests. Nothwithstending snything to the contrary harein, if Lassee exercises its right to pool the Isasad premisas with other lands, then one hundred psrcent (100%) of the leased premisas shall be pooled in such unit.

7. If Lessor owns less than the full minsrsl astate in all or any part of the laesad premisas, the royaltias and shut-in royaltias payable hereunder for eny well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's Interest in such part of the Isased premises.

8. This interest of sither Lessor or Lessee hisrsunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, end the rights end obligations of the parties hereunder shall extend to their respective heire, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessoe hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lesses has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownsrship to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lesse's usual form of division order. In the systic of the death of any person entitled to shut-in royalties hereunder, Lessee may pey or tender such shut-in royalties to the credit of decedent or decedent's a state in the depository designated above. If et any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfer its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter ensing with respect to the transferred interest, end failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lasses with respect to any interest not so transferred. If Lesses transferre a full or undivided interest in all or any portion of the srea covered by this lease, the obligation to pey or tender shut-in royalties hereunder shall be divided between Lesses and the transferee in proportion to the net acreege interest in this lease then held by eech.

9. Lessse may, at any time end from tims to time, deliver to Lessor or file of record a written releese of this Isase as to a full or undivided interest in sill or any portion of the aree covered by this leese or eny depths or zonss thereunder, and shell thereupon be relieved of all obligetions thereafter ensing with respect to the interest so relisesed. If Lessee releases sill or an undivided interest in lisss than all of the area covered hereby, Lessee's obligetion to pey or tender shut-in royalties shell be proportionately reduced in accordance with the net ecreege interest retelned hereunder. Upon the sxpiration of the primary term or any extension thereof, or after cessistion of operations as provided herein, whichever occurs last, this issse shall terminate as to ell rights lying one hundred feet (100') below the stratigrephic equivelent of the base of the deepest formation producing in eny well drilled on the leased premises or on lands pooled therewith; provided, however, that if Lassee is than engaged in operations on the leased premises or on lands pooled

Therewith, this lease shall remain in force and affect as to all depths so long as no more than ninety (90) days elapse between operations.

10. No well shell be loceted less than 200 feet from eny house or bam now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall psy for dsmage caused by its operations, including damage to buildings and other improvements now on the leased premises or such other lands, and to commercial timber end growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment end materials, including well casing, from the leased premises or such other lands during the term of this lease or within e reasonable time thereafter.

- 11. Lessee's obligetions under this leass, whether express or implied, shall be subject to all applicable laws, rules, regulations, ordinances and orders of eny governmental suthority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substences covered hereby. To the extent eny such lews, rules, regulations, ordinances or ordere ere less restrictive than the terms of this leese, this leass shall control. When drilling, reworking, production or other operations are prevented or deleys by such lews, rules, regulations or orders, or by inebility to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or eesements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, not, strike or Isbor disputss, or by inability to obtain a setisfactory markst for production or feilurs of purchesers or carriers to take or trensport such production, or by any other ceuse not reasonably within Lessee's control, this issess shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenents of this isses when drilling, production or other operations are so prevented, delayed or interrupted. Notwithstanding anything to the contrary herein, tha term of this lesses shall not be extended due to e leck of merkets for production or any other events affecting only the economic or financial aspects of drilling, development or production.
- 12. No liligation shall be initiated by Lessor with respect to any breach or defeult by Lessee hereunder, for a period of at least 60 days after Lessor hes given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. However, Lessor shall have the right, at all times without providing such notice, to apply to, end receive from, a court of competent jurisdiction equitable and Injunctive relief from any ect or omission of Lessee, or its agents, in order to halt or prevent any irrepsrable harm, demage or loss to Lessor, the leesed premises or any improvements thereon, the minerals in, on or under the leesed premises, or eny other appropriete rights or interests. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in pert unless Lessee is given a reasonable time after said judicisl determination to remedy the braach or default end Lessee fails to do so; provided, however, that in the event such a breach or default if found, Lessee shall be liable to Lessor for any actual damages ewerded in e finel judgment after exheusting all appeals, es well es ettorney's fees, expert witness fees, filing fees end other costs incurred in connection with such litigation. If Lessee withholds any undisputed sums due to Lessor for a period of sixty (60) days after written demand for payment is made by Lessor, at the election of Lessor this lease may be terminated
- For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors end essigns, e perpetual subsurfece well bore eesement under snd through the lessed premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which ere not intended to develop the leased premises or lends pooled therewith and from which Lessor shall heve no right to royalty or other benefit. Such subsurface well bore eesements shell run with the land and survive any termination of this lease.
- 14. Lessee at Lessee's option may pey and discharge any taxes, mortgages or liens existing, levied or essessed on or egainst like leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, mey reimburse itself out of eny royalties or shut-n royalties otherwise peyeble to Lessor hereunder. In the event Lessee is made aware of any claim Inconsistent with Lessor's title, Lessee may suspend the payment of royeltles end shut-in royeltles hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- 15. Lessor makes no werrenty of eny kind with respect to title to the surface or minerel estate in the leased premises or eny portion of or Interest therein. All warranties that might srise by common law or by statute, including but not limited to Section 5.023 of the Texas Property Code (or its successor), are excluded. By ecceptance of this lease, Lessee acknowledges that it has been given full opportunity to investigate and has conducted sufficient investigation to setisfy itself as to the title to the leased premises. Lessee essumes all risk of title fellures.

  16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not heve eny rights to use the surface of the leased premises for
- drilling or other operations. Accordingly, Lessee shall not enter upon the surface of, cross over, place eny structure or building upon or conduct any operations (including but not limited to geophysical/selsmic operations) on the surface of the leased premises or within six hundred feet (600') of the leesed premises, unless Lessee has received a permit from the proper governmental authority allowing such operations (i.e., drill site) to be within six hundred feet (600') or Lessee has obteined written waivers from property owners within six hundred feet (600') of such operations. In no event shell Lessee pisce the surface hole location of any well within two hundred feet (200') of any existing structures on the leased premises without the prior written consent of Lessor, which shall not be unreasonably withheld. Lessee shall only develop the leased premises by pooling, as provided herein, or by directional or horizontal drilling commenced from a surface location on other lands. Lessee shall make sil ressonable efforts not to use residential or neighborhood streets or thoroughfares in developing the leased premises, except in the event of an emergency situation (and only for so long as said emergency exists) or only if Lessee has obtained an approved truck route from the City of Fort Worth or the City of Lake Worth (depending on the location of the drill site) that includes such streets.

17. Lassor, and their successors and assigne, hareby grants Lassas an option to axtend the primary term of this lease for an additionel pariod of two (2) yasrs from the and of the primary term by paying or lendaring to Lessor prior to the and of the primary term the same bonus consideration, terms and conditions as granted for this lease.

18. It is sgraed between the Lassor and Lessee, that, notwithstanding any language harain to tha contrary, all oil, gas or other proceeds accruing to the Lessor under this laasa or by state law shall be without deduction for the cost of producing, gethering, storing, saparating, treating, dehydrating, compressing, processing, transporting, and marketing that oil, ges and other products produced hereunder to trensform the product into marketable form; howevar, notwithstending snything contained harein to the contrary, any such costs which result in anhancing the value of the marketable oil, gas or other products to receive a batter price may be deducted from Lassor's shars of production so long as they are incurred in an arms-langth transaction with a party that is not an affiliate of Lassea and ere basad on Lessee's setual cost of such enhancements. However, in no event shall Lassor receive s price that is less than, or more than, the price received by Lesses. As used herein, "affiliates" means (i) a corporation, joint vanture, partnership or other shifty that owns more than tan percent (10%) of the outstanding voting interest of Lessea or in which Lessee owns more than ten percent (10%) of the subtraction value in the percent (10%) of the subtractio outstanding voting Interest; or (ii) a corporation, joint venturs, partnership or other shitly in which, together with Lesses, more than ten percent (10%) of the outstanding voting interest; or (ii) a corporation, joint venturs, partnership or other shitly in which, together with Lesses, more than ten percent (10%) of the outstanding voting interest of both the Lesses and the other corporation, joint venture, partnership or other entity is owned or controlled by the same person or group of persons. It is the intent of the parties that the provisions of this Peragraph 18 are to be fully effective and enforceable and are not to be construed as surplusage under the principles set forth in Heritage Rasources v. NationsBank, 939 S.W. 2d 118 (Tex. 1997).

19. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

19. Unis lease may be executed in counterparts, aach of which is deemed all original and all of which only considered the original.

20. Noisa levals associated with Lessee's operationa relief to the drilling, completion and reworking of wells shell be kept to e reasonable minimum, taking into consideration reasonably available equipment and technology in the oil and gas industry, the laval and nature of development and surface use sleawhere in the vicinity of Lesses's drill sites and the fact Lessea's operation are being conducted in or near an urban residential strae. If Lessee utilizes any non-electric-powered equipment in its operations, Lessea shall take reasonable steps to muffle the sound therefore the original and the purpose.

noise suppression hospital-style muffler or liks aquipmant.

- noise suppression nospital-style mullier or liks aquipmant.

  21. Indemnity. Leaaae hereby raleaaes and diacharges Leeeor and the owner of the surface eetats, along with their officers, employees, partners, agents, contractore, subcontrectore, guests and invitase, and their respective heire, euccessore and assigns (collectively the "Lessor Partise"), of and from all and any actions and caueee of action of every nature, or other harm, including sovironmental harm, for which recovery of damages is sought, including, but not limited to, all losaes and expenses which are caused by the activities of Lesses, its officere, employees and agents arising out of, includintal to or resulting from, the operations of or for Leeee on or under the leaesd premises or at the drill sita or operations site, or that may aries out of or be occasioned by Lesses'a breach of any of the terma or provisions of this or at the drill sita or operations site, or that may aries out of or be occasioned by Lesses'a breach of any of the terma or provisions of this isase, or by any other negligant or strictly liable act or omiseion of Lessee. Further, Lessee hereby agrees to be liable for, exonsrets, indemnify, defend and hold harmless the Lessee Parties egainst any and all claims, liebilities, lossea, damages, actions, property damage, personal injury (including death), coste and expanses, or other harm for which recovery of damages is sought, under any theory including tort, contract, statute or strict liability, including reasonable attorney fees and other legal expenses, including those related to anvironmental hazards on or under the isseed premises or at the drill site or operations site or in any way related to Lesses'e failure to comply with any and all anvironmental laws; those arising from or in any way related to Lesses's activities in, on or under the lessed premises or at the drill site or operations alts; those arising from Leseee's use of the eurfeca or subeurface of the isseed premises; and those that may aries out of or be occasioned by Lesses's breach of any of the terms or provisione of this issee or any other act or omission of Leseese. Its directors, officers, employees, partners, agents, contractors, eubcontractors, quasts, invitees and their respective and those that may aries out of or be occasioned by Leasaa's breach of any of the tarms or provisione of this isase or any other act or omlealon of Leeaae, its directore, officere, employeea, partnere, agenta, contractore, eubcontractore, guaats, invitees and their respective euccassors and assigns. Each assignee of this lease, or of an interest hersin, agrees to be liable for, exonerste, indemnify, defend and hold harmless the Lessor Parties in the same manner provided above in connection with the activitias of Leeaae, its officere, employees and agents as described above. EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, ALL OF THE INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS LEASE SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, ACTIVE, PASSIVE OR CONCURRENT SO LONG AS LESSOR'S CONCURRENT NEGLIGENCE IS NOT MORE THAN FIFTY PERCENT (50%) OF THE PRODUCING CAUSE OF THE DAMAGES SUFFERED; provided, however, that Lessae shall have no obligation to Indemnify or hold Leeoor harmless from CAUSE OF THE DAMAGES SUFFERED; provided, however, that Lesasa ehall have no obligation to indemnify or hold Leseor harmless from any cost, sxpenee or ilability which may ariae or result from the grose negligence or willful micconduct of Leseor. By commsncing any operations pureuant to this isese, Lessas shall acknowledge its consent to the tarms of this Section 21.
- 22. At all times while this Lease is in force, Lassee shall scoulre and maintain insurance covering all of its operations on the isessed premises, including any work performed on its behalf by contrectors, subcontractors and others. The policias shall include coverege for comprehensive ganaral liability for bodlly injury and property damege with a limit of \$ 3,000,000, blowout and ioss of well coverege, and coverege for any damage to the environment resulting from a blowout, including coverage for the cost of clean up and aurface remediation, with a limit of \$ 3,000,000. In addition, Lassee shall maintain an Umbrella Liability policy in the amount of \$ 25,000,000. All auch policies shall name the Lessor es an additional insured and will provide for a 30 day notice of cancellation. Upon written request, Lessee ahalf furnish a certificate from the issuing insurance company or companias evidancing the coverage. Lassee may saff insurance is 5,000,000 with respect to the insurance coverage required of Lassee, provided that the tangible net worth of Lessea is, st all times while self-insurance is in access of \$1,000,000,000.
- 23. Lassor acknowledges that the terms of this issse, the amount of roysity and bonus paid hereunder, and other other terms negotiated with Lessee 23. Lassor acknowledges that the terms of this issse, the amount of roysity and bonus paid hereunder, and other other terms negotiated with Lessee with respect to this lassa (the "Negotiated Tarms") were obtained as a result of negotiations between Lesses and a committee of unpaid volunteers, including Caria Bazner, Don Corley, Jarry Walch and Mattie Kitchana (the "Lake Worth Gas Lease Committee"). In consideration of the efforts of the Lake Worth Gas Lease Committee in negotiating and obtaining the Negotiated Terms, Lessor, Individually and on bahalf of Lassor's agants, representativas, family membars, predacessors, successors, helra and assigns, harsby releases and forever discharges the Lake Worth Gas Lease Committee, and any of its mambars, agants, and representativas, specifically including eny attorneys engaged by the Lake Worth Gas Lease Committee to facilitate the negotiation and preparetion of lease terms (the "Lake Worth Raleasees"), of and from any and all claims, demands, obligations, losses, causes of action, costs, expanses, attornay's fease, and liabilities of any nature whatesever, whether based on contract, for statute or other legal or causea of action, costs, expanses, attornay's feaa, and lisbilities of any nature whatsoever, whather based on contract, tort, statute or other legal or equitable thaory of recovery, whether known or unknown, which Lessor has, has had, or claims to have against the Laks Worth Relsaeees, which srise out of or relate to (a) the Negotiated Terms, (b) the negotiation of the Nagotiated Terms, or (c) the inclusion and/or omission of any terms within the Nagotiated Terms. Lessor further acknowledges and represents that (a) the Lake Worth Relsssess have not acted as Lassor's agent in connection with this lasse; (b) Lessor, in making the decision to sinter into this leasa, has not relled upon any statements or representations, if eny, of the Lake Worth Relssseas regarding the terms of this leasa; and (c) Lesaor's decision to enter into this lease is the indepsndent and voluntary decision of Lassor after being given the opportunity to have said lesss reviewed by counsel of Lessor's choosing.

24. As stated above, the land covered by this lease shall include all strips and gores, streats, easements, highwaye and alleyways adjacent thereto. Accordingly, and notwithstanding snything to the contrary herein, the acreage of said land covered by this lease shall be calculated to the center of any adjacent streets, highways or alleyways for purposes of calculating and paying any bonus or royally if it is determined that lessor owns euch additional

DISCLAIMER OF REPRESENTATIONS: Leeaor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are markst sensitive and may vary depending on multiple factors end that this Lesse let he product of good faith negotiations. Lessor undsrstands that these lease payments and terme sre final end that Leasor entsred into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on merket conditions. Lessor acknowledges that no representations or seaurences were made in the negotiation of this lesse that Leseor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terme of this transaction based upon any differing tarme which Laaaae hes or may negotiate with any other leesors/oll and gas owners

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on tha signatory and the signatory's hairs, deviseaa, axecutors, administrators, successors end assigna, whether or not this laass has been executed by all parties hereinabova named aa Lessor.

LESSOR (WHETHER ONE OR MORE)

Joan & Zwald

STATE OF TEXAS	
COUNTY OF TARRANT	1 h T c 7 10
This instrument was acknowledged before me on the 6 day of 100 per	lenter 20/9/1/ Joan L wald
	Oker C. Har
	Notary Public, State of Texas
JONATHAN C. TAUBER	Jonethan C lauber
Notary Public, State of Texas  My Commission Expires	Notary's name (printed):
February 15, 2012	2-/5-2a/2 Notary's commission expires:
ACKNOWLEDGMENT	
STATE OF TEXAS	
COUNTY OF TARRANT	
This instrument was acknowledged before me on theday of, 2008, by	
	Notary Public, State of Texas
	Notary's name (printed):
	recent a common the annual.
	Notary's commission expires:
RECORDING INFORMATION	
STATE OF TEXAS	
County of	
This Instrument was filed for record on the day of	, 20, at o'clockM., and duly recorded in
Book, Page, of the records of this office.	

ACKNOWLEDGMENT

Record & Return to: Chesapeake Operating, Inc. P.O. Box 18496 Oklahoma City, OK 73154

Clerk (or Deputy)

Ву\_